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ABSTRACT

Problems of "steady state" institutions and techniques of management that have implications for Monash University, Australia are considered. The term "steady state" is used to indicate a lack of additional funds being injected into the system to promote growth and/or development. A trend toward public accountability in higher education has occurred in America and Britain, and Australia may also experience repercussions in the areas of teaching and learning. It is suggested that higher education is likely to experience little growth over the next decade or two, a development that raises two major problems: lack of funds and lack of staff mobility in higher education. The cost of maintaining higher education increases annually, and somewhere over 85 percent of the cost of running a university is taken up by paying salaries. Types of actions pertaining to salaries that may be undertaken to meet financial problems are noted. The most difficult prospect for academic staff to face will be the significant decrease in mobility. Mobility will be restrained by lack of growth in all sections of higher education, by the relative youth of persons in senior academic positions, and by the blocking of promotion prospects through the aggregation of staff at the top rung of each salary range. Possible remedies include the following: early retirement, fractional appointments, retrenchment, retraining, flexible ranking, and protected positions. The need for administrators to take a more active stance toward the future is stressed. (SW)

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HIGHER EDUCATION ADVISORY AND RESEARCH UNIT

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CRISIS MANAGEMENT

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NATIONAL INSTITUTE OF EDUCATION

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NOTES on Higher Education

CRISIS MANAGEMENT

Terry Hore

INTRODUCTION

The previous issue of *Notes on Higher Education* (No. 12, March, 1977) discussed factors external to the universities likely to effect higher education. This issue looks at the proposals which institutions in Australia and overseas have either suggested or already implemented in response to "steady state" conditions. The term "steady state" is used here to indicate a lack of additional funds being injected into the system to promote growth and/or development.

BACKGROUND

Over the past 25 years there has been a significant growth in tertiary education. During that time eleven of Australia's nineteen universities were founded and student numbers quadrupled. This buoyant condition was supported both by industry and by the general electorate. Many of these points are made in *Notes on Higher Education* number 12, so I need not labour them here. The point I wish to emphasise is that "many of the management skills which were highly desirable . . . in the last 30 years may no longer be the skills which are needed in the next 30 years" (Carnegie Council for the Advancement of Teaching, 1975, p. 82). The Carnegie Council go on to say ". . . a good place to start is with the recognition that growth fosters neither the habits of mind nor the organisational arrangements required for adjusting to declining growth" (*ibid.*, p. 85). Cope (1977) in writing about the Australian scene suggested that new styles of management were needed, ones which gave greater control over planning, evaluation and resource allocation. One of the problems with this suggestion is that within Australia we have very few guidelines about coping with a non-growth situation. Alm, *et al.*, 1977, saw this as a major problem throughout the world as there were ". . . few guidelines and the near absence of shared experience." (p. 154). Because of this apparent lack, this paper seeks to give information about techniques of management which appear in the literature so that academic and administrative staff can think about the implications that these may have for Monash University. Indeed, it is critical that members of the academic community consider the issues raised here; otherwise governments will take the initiative without the benefit of our contribution. As Dahrendorf says, (*Times Higher Education Supplement*, 17th March, 1978) "If institutions of tertiary education do not give constructive answers themselves, they have little reason to complain about government answers which they dislike". In the following issue of the Supplement, Mrs. Williams, the Secretary of State for Education and Science in the United Kingdom, warned universities that they must discuss the future or if they "did not make the extremely difficult decisions necessary, the government would have to impose its own solution". This paper is called "Crisis Management" because tertiary institutions have been forced by default, into reacting to governmental well-intentioned action or whim. Usually, the reaction has been made at short notice and generally the collective intelligence of the institutional decision-makers has enabled it to find creative solutions. Whether a reactive stance is inevitable or whether the locus of action should shift towards an institution considering alternative futures and working actively towards a preferable future, has been discussed elsewhere (Hore, Linke and West, 1978) and is not pursued here. The most urgent need is to persuade academics to take the likely consequences of little growth for the universities seriously.

So let us consider some of the problems of "steady state" institutions and the solutions which have appeared in writings by academics, administrators and commentators.

ACCOUNTABILITY

A general effect of slow growth seen in America and Britain already, is the increasing move to what has been called accountability, that is not only in the sense of the staff of tertiary institutions being more willing to speak up for the values of a tertiary education, but also in the strict sense of being more accountable to the public for the large share of the gross national product which higher education consumes. Extreme pressures along this line can have a strangling effect on teaching and learning, as this extract from a recent American book suggests,

> Instructors are being asked to provide evidence that students learn as a result of their teaching . . . Educators must develop and adopt relevant standards of accountability. Otherwise, state legislatures, under pressures from their constituencies, will impose efficiency criteria which might have a detrimental effect on the teaching and learning process. (Davis, Abedor and Witt, 1976, p. 112).

While it is unlikely that Australia will move so far down this path it is true that "the day is past when institutions could lay the full blame of student failure on the shoulders of the student himself". (*ibid.*, p. 113). But let us actively prevent the following parody on orchestral efficiency becoming appropriate to this institution:

A time-and-motion study team investigated an orchestra and came up with several money-saving recommendations, for example, (1) since ten violinists are playing the same melody, sack nine and amplify the sound electronically. (2) Some musical phrases are repeated – this seems a waste; omit all repetitions. (3) It is recommended that all pieces be played at twice the indicated speed, as this would save a significant portion of the orchestra's time, and so on. All these actions save money but they are nonsensical since they destroy orchestral music. Similarly external pressures on universities may force institutions to reduce or abolish small group teaching since it is expensive. The managerial use of cost-benefit analysis emphasizes quantity at the expense of quality issues and demonstrates a lack of understanding of an academic's task. A recent example of this is seen in Holland where, from May 1st, 1978, academics have to clock in and out, and be present in the university buildings from 8.30 a.m. to 5.15 p.m. each week day. This applies from the most senior professor to the newest typist. (*Times Higher Education Supplement*, 24 March, 1978, No. 333).

Demand-driven funding, beneficial to institutions in times of growth has led now to closures of institutions overseas (the Department of Education and Science in the United Kingdom proposed closing thirty seven teacher-training institutions; the State of Washington recommended the abolition of fifty three degree programmes, out of slightly more than three hundred, in the state's twenty eight tertiary institutions.) In Australia, Professor Butland (*National Times*, 19th September, 1977) suggested closing the Guild Teachers' College at Ultimo, scaling down the Sydney Teachers' College and amalgamating others. The Partridge Report on post-secondary education in Victoria has made us believe in the possibility of what one commentator has called a "biodegradable" College of Advanced Education. (Nilsson, 1977).

With an unsympathetic public and government, the tertiary sector can expect little growth over the next decade or two. This raises the two major problems:

(1) Lack of funds.
(2) Lack of staff mobility in tertiary education.

LACK OF FUNDS

Even without supporting innovations, the cost of maintaining tertiary institutions increases annually, through inflation and "incremental creep" (the cost of automatic salary increments for staff on all but the top rung of their respective salary ladders). Something over 85% of the cost of running a university is taken up by paying

salaries, so while one can increase the length of time between maintenance rounds and stop expenditure on capital works, the majority of decisions will involve finding money from the salary budget and will directly affect some staff positions. Such as:

- a freeze on all staff vacancies
- a freeze on all promotions
- a freeze on all increments
- encouraging staff to seek outside consultancies
- encouraging staff to seek secondment elsewhere
- encourage leave without pay
- offer fractional rather than full appointments, which are "secure" if not tenured
- attempt to improve the efficiency of the lecturer (and the student)
- increase the size of the group to be taught
- increase staff contact hours
- make more intensive use of the physical and manpower resources through four-term years
- increase the teaching/administrative load
- legislate to restrain academic salaries to make them less attractive by comparison with other areas
- make promotion less attractive by heavy taxation
- introduce a "double-tenure" system of 3 years probation, then if satisfactory, an additional 3 years before becoming tenured
- replace tenure with a periodic review for *all* staff
- impose an internal tax levy on all departments in order to fund innovation
- abolish or reduce study leave entitlement
- reintroduce fees

All of these have been mentioned in the literature from overseas, a few have been discussed in Australia, *viz* the on-going investigation into study leave.

As mentioned earlier, the present method of funding tertiary education is enrolment-driven, based on estimated numbers of "efts" effective-full-time-students or "WSUs" weighted student units.

Institutions could lobby for a change in the formula by which this funding system works but this is a doubtful strategy since government is seeking to reduce the expenditure on education. For many institutions or faculties the problem is one of maintaining the level of student numbers in order to maintain their level of income. Two techniques to attract students have been seen, mainly in the United States but with some moderated examples in Australia. These are the "Madison Avenue" and the "Bounty Hunter" approaches. Some colleges are employing advertising consultants to present the most attractive collegiate image. An embryonic form of this approach was used by a college in Melbourne which used a "Women Wanted" poster to attract females into its engineering department. A local newspaper (*The Herald*, 24 December, 1976) commented that it was more like a recruitment poster for a massage parlour than an educational establishment. The bounty hunter approach has not yet been seen here, but could emerge if fees are re-introduced; it offers cash incentives to any student who can persuade another to enrol.

LACK OF STAFF MOBILITY

The most difficult prospect for academic staff to face will be the significant decrease in mobility, either upwards, to higher academic levels in their own institution or other institutions, or sideways; movements to other institutions/departments at the same level of salary. Mobility will be restrained by lack of growth in all sections of higher education, except for the Technical and Further Education section, by the relative youth of persons in senior academic positions (I will return to this point later) and by the blocking of promotion prospects through the aggregation of staff at the top rung of each salary range (see Fig. 1 for the distribution of Monash University academic staff).

In a seminar at Melbourne University on November 9th, 1977, Professor D. E. Caro, the then Deputy Vice-Chancellor of that university, highlighted one of the two problems associated with the lack of mobility, when he said that academic staff as they become older, "lack incentives, become increasingly conservative, more difficult to change and motivate and possibly lazy and less innovative". The second problem is that staff at the lower levels will become increasingly more militant. Two years ago in *The Times Higher Educational Supplement* (16.6.76), it was reported that:

> The growth of faculty unionism in an era of increasing austerity promises to be the source of most important intra-mural conflicts in academe in the next decade.

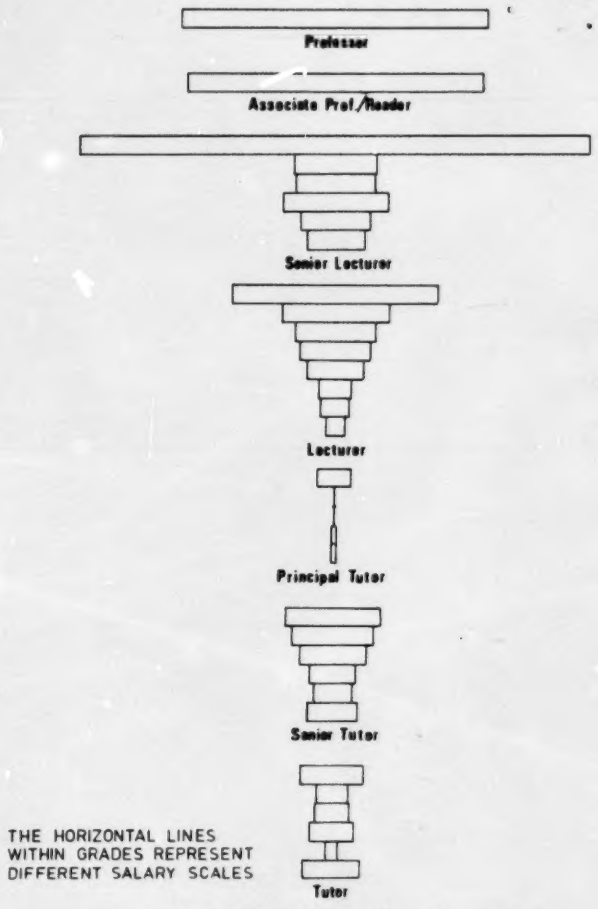
The notion of "collective bargaining" will emerge again, prompted this time by questions of accountability, as well as by the earlier concerns for greater involvement in institutional decision-making. Some commentators have suggested (Fox & Blackburn, 1975) that if the goals of academics and administrators are similar then collective bargaining is unlikely.

The most likely way to obtain the finance necessary to maintain the present system, with its built-in cost escalations such as "incremental creep" or to fund new developments, is to recoup some of the 85% or more of recurrent funds spent on salaries. The interesting question is "how?"

Already in these notes some methods of doing this have been mentioned – secondment elsewhere, leave without pay, fractional appointments, etc., but if one asks one's colleagues about staff mobility, they are usually complacent and expect that there will be movement of staff out of Monash and other institutions by (1) "Normal" turnover to other jobs, (2) Death and (3) Retirement. Let's examine each of these:

(1) **Staff Turnover.** In 1967 the staff turnover rate in Australian Universities was 28%. By 1976 the turnover rate was 7.6% (Tables 5.6 and 5.7 in Universities Commission *Report for 1977-79 Triennium*, July, 1976). By inspecting the university and college employment columns of *The Times Higher Education Supplement* or *The Australian* one would guess that, in 1978, this percentage would be even lower.

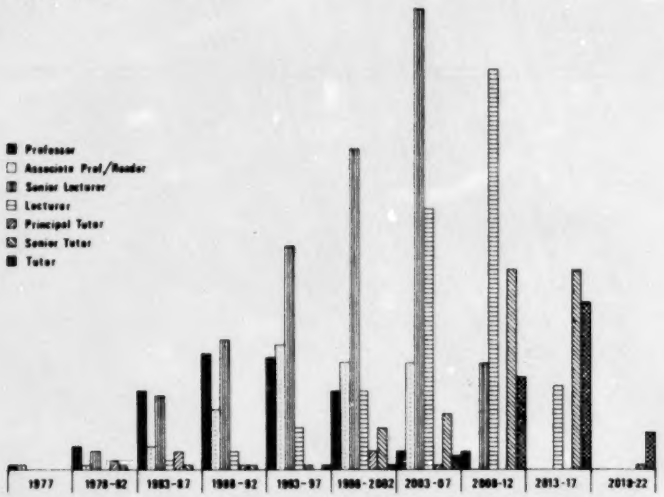
(2) **Death.** Academic life does not seem to predispose persons towards an early death. When one realizes that the average age of the professoriate (professors, readers and associate professors) at



DISTRIBUTION OF ACADEMIC STAFF BY SALARY RANGE

this university is 47 years, and 66% of academic staff of lecturer and above are under the age of 44 years, death does not seem to be an answer.

(3) **Retirement.** In the University Commission's *Report for the 1977-79 Triennium* it was stated (Section 3.29) that retirements over the next five years in the total university system ". . . are expected to constitute only about one-half of one percent of the total academic staff of 12,000". If there are to be only 60 retirements over the next five years in the whole of Australia then "normal" retirement does not appear to be a solution either. Figure 2 gives the retirement pattern by year and grade for Monash University and shows that in the five years between 1978 and 1982, only five Professors, one Associate Professor/Reader, four Senior Lecturers, two Principal Tutors and one Senior Tutor will retire.



RETIREMENT PATTERN BY YEAR AND GRADE

In some departments no professorial vacancies will occur until after the year 2008.

POSSIBLE REMEDIES

Early Retirement

As one book put it one needs to "precipitate migration", and as we have seen "normal" retirement will not assist, so we need to consider the possibility of early retirement – an estate which one writer called "Pedagogicide". One can see that retirement at 55 years of age would have a major effect on the distribution shown in Fig. 2, but would it be an attractive proposition for academic staff? The problem appears to be the drop in the level of income the staff member will accept or alternatively, how does the university find the money to buy up policies or provide the "golden handshakes" which may be involved. The recent move by the University of Melbourne to consider an internal superannuation fund and the withdrawal from the scheme presently run by insurance companies, may provide a solution.

How many senior academics would feel like the Vice-Chancellor of Keele University who resigned four years before retirement and was reported in *The Times Higher Educational Supplement* (No. 310, 14/10/77) as saying:

". . . it would improve the opportunity for promotion of younger men and women if more senior members retired early".

Fractional Appointments

Perhaps a more acceptable option is to move from a full position to a fractional appointment. Apart from the obvious taxation benefits, and the ubiquitous problems of superannuation, it may be possible to sweeten a fractional appointment with an increase in status – personal chairs with all the titles and privileges or "Senior Readers" who are insulated from all duties other than research.

Early retirement and moves towards fractional appointments are not unattractive and they would be voluntary decisions of the academic and not an imposed solution like retrenchment.

Retrenchment

In times of expansion one has never considered that university staffs would ever be faced by the prospect of retrenchment. If mentioned in conversation it would always be countered by some comment about the security of tenure. But in the October, 1977 *Newsletter* (No. 77/6) of the Federation of Australian University Staff Associations an article appeared entitled "You may think you have tenure – but have you?" The article indicated that out of the 19 Australian Universities only six had tenure in the "true" sense of "A permanent appointment until retirement – subject to dismissal only in cases of ill-health, gross misconduct or dereliction of duty". Monash University was not a member of that group but one of a group of six where sub-professorial staff could be dismissed *without cause* provided six months notice was given. To this time in Australia few, if any, cases of dismissal of tenured staff have been seen, but it remains a legal possibility. In those universities with "qualified" tenure, financial exigencies provide the legal loophole which American administrators have used in successfully defeating actions brought against tertiary institutions by tenured staff.

Retraining

Declining student numbers in specific sections of the university mean either decreasing income or an increase in the workload on staff in other sections, since up to now staff have not been relocated or retrained for other positions. But for how long can personal research time be allowed to expand in direct proportion to the decline in students attracted to one's discipline? Retraining for positions outside the university or within it is favoured in the literature; one mention was made of the possibility of taking out "mid-stream" insurance to support redundant staff wishing to "change horses".

Rood (1977 p.123) stated that:

> Termination has a more dramatic effect than ever before: not only are there fewer openings, but appointments are frequently restricted to the minimum salaries. To stay, protest and fight becomes more attractive.

Flexible ranking

Flexible ranking is a personal move to return to a lower rank (Mann, 1973) – for example, a professor reverts to a reader or senior lecturer level position. It is not "management-prompted" and may appeal to some senior academics.

Protected positions

When positions are scarce applications are accepted only from citizens of the country where the vacancy occurs. In the United Kingdom work permits perform this task, and according to a THES report (No. 305, 2/9/77) one university was asked to state that there was no British applicant who could have done adequately a job which was given to a Canadian citizen.

Some of these remedies are in the control of the individual (e.g. early retirement, fractional appointments); some are institutional decisions (e.g. retrenchment), but some are within the ambit of governments. Earlier in these notes mention was made of making academic positions less attractive by reducing study leave; similarly legislation could be enacted to require mandatory percentage salary reductions (Sprenger & Schultz, 1974), or otherwise restrain salaries so they compare less favourably with comparable positions outside academia.

CAREER ASPIRATIONS

While the career grade of the majority of academics is said to be senior lecturer, the staff in universities now have entered and progressed through a developing system where higher aspirations could be entertained and achieved. More people will have to settle on the career grade of senior lecturer, be prepared to wait longer to get there and seek job-satisfaction within that framework.

WHAT OF THE FUTURE?

Is Monash University ready with policies and plans? Has it established a group to look into the future like the University of Queensland's group of futurologists which has been charged with the task of planning for the next twenty-five years (OROS, September 1977, p. 2). Or, instead of anticipating the future and creating the most

preferable from a range of possible futures, will Monash lurch from crisis to crisis? We see evidence of such forward planning from the Department of Education and Science in Britain with its five models for the future up to 1995 (THES No. 329, 24/2/78). Perhaps the recently established Monash University Council Planning Committee will accept the task when it can untangle itself from the demands for submissions from the Tertiary Education Commission.

Along with the University of Queensland, the Australian National University has shown some concern for problems of the steady state (Campbell, 1977) one item from which led to the following parody:

"If money cannot be found for expansion and new appointments said Mr. Fitzgerald, "ANU will have more senior citizens on its staff in twenty years than the Goodwin Homes for the Aged. In this case, university planning will need to reflect the requirements of its ageing staff."

Mr. Fitzgerald outlined some possible developments:

* Replacement of the university creche by an intensive care unit for senior lecturers;
* Large print editions of newspapers and books for common rooms and libraries;
* The fitting of stairs with ramps for easier manoeuvring of wheelchairs;
* The elimination of alcoholic drinks from the staff bistro in favour of pharmaceutical preparations;
* Emphasis on youth drug development and gland transplants at the John Curtin School of Medical Research;
* Young female undergraduates may be asked to walk more slowly.

The Tertiary Education Commission will, no doubt, be asked to examine these proposals.

(*ANU Reporter*, 26 Nov., 1976).

As humorous as that may appear, the problem requires a re-examination of course offerings in order to maintain student numbers and therefore, under the present system, income.

Most commentators agree that a new type of student should be attracted – the mature student. Mrs. Williams, The Secretary of State for Education and Science in the United Kingdom emphasized (*THES*, No. 334, 7/4/78):

. . . that these non-traditional students would have to be drawn in by deliberate educational planning, in particular the creation of links between the universities and the continuing education system. One or two year bridging courses would have to be developed to bring people up to the universities' two A-level entry requirement. . .

A compromise will need to be made between excellence and survival – but this compromise does not mean lowering the standards and debasing the degree but providing "pre-university" courses, perhaps in the summer period, to provide potential students with the required pre-requisites. This may entail academic staff acquiring new skills in task analysis and course design. Mrs. Williams continued:

The traditionally central role of academic staff as teachers in British universities will be crucial for their expansion into new areas . . . though teacher-training for academics – still largely neglected – will need to be developed.

At least in Australia, 15 of the 19 universities have teaching-research units, but before they can play their part every academic needs to examine seriously the issues raised here and prompt administrators to take a more active stance towards the future.

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COURSE DESIGN

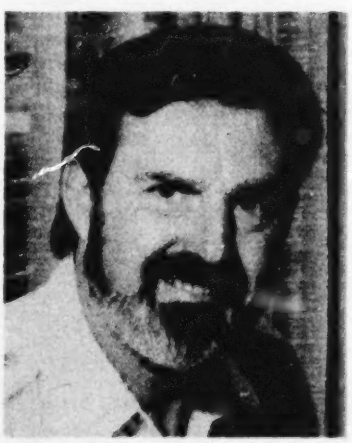
Several departments are involved in course design or re-design at this time. If you would like a member of the HEARU staff on your course review committee, contact Terry Hore (Ext. 3269) or Neil Paget (Ext. 3273).

SECONDMENT TO HEARU

The secondment scheme is designed to provide staff with the time and support necessary for projects concerned with the improvement of teaching and learning.

If you have a project in mind, read the entry in the Staff Handbook (Section 4.6.4) and contact Terry Hore (Ext. 3269).

Dr. Terry Hore is Director of the Higher Education Advisory and Research Unit (HEARU). HEARU has two sections; the advisory and research section is situated in the Law building and the Educational Technology section is situated on the western side of the Medical buildings.



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